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C O N F I D E N T I A L SECTION 01 OF 02 PANAMA 000975

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TAGS: [PGOV](#) [PREL](#) [PINR](#) [PM](#) [POLITICS](#) [FOREIGN](#) [POLICY](#)

SUBJECT: PANAMA ELECTION EVE OUTLOOK: LIKELY WINNER

TORRIJOS FACES A PROBABLE SPLIT LEGISLATURE

REF: A. PANAMA 0936

[B](#). PANAMA 0924

[C](#). PANAMA 0875

[D](#). PANAMA 0802

Classified By: Ambassador Linda E. Watt for Reasons 1.4 (b) & (d)

Summary: Torrijos On Top

[1](#). (C) Martin Torrijos and his Democratic Revolutionary Party (PRD), well ahead by most indicators, are poised to win the presidency and a plurality of legislative seats in Panama's Sunday, May 2, 2004 general elections. The American-educated Torrijos has marginalized the PRD's "old guard" and has shown that he intends to work closely with U.S. officials, especially on bilateral security and law enforcement issues of mutual concern. Backed by a base coalition of nearly one-quarter of Panama's two million registered voters, Torrijos has a solid margin over his nearest competitor, Panama's 1989-94 President Guillermo Endara. Endara, running on the Solidarity Party ticket, and Arnulfista candidate Jose Miguel Aleman, continue to compete for the anti-PRD vote. Torrijos is a little known quantity in governing style; how he will reduce corruption, for instance, is far from clear. Embassy expects a free and fair election and will dispatch 28 volunteer observers throughout the country to watch it develop. End Summary.

The Numbers Game: Final Installment

[2](#). (SBU) Recent public opinion polls show Torrijos with a substantial lead, followed by Endara and Aleman. They probably correctly rank the candidates but do not reveal the true margins between them. An April 20 La Prensa poll and an April 22 El Panama America poll both show Martin Torrijos well ahead of second-place candidate Guillermo Endara with third and fourth-place candidates Jose Miguel Aleman (Arnulfista Party) and Ricardo Martinelli (Democratic Change Party) well behind:

Candidate	La Prensa (4/20)	El Panama America (4/22)
Torrijos	47%	45%
Endara	28%	27%
Aleman	19%	10%
Martinelli	6%	6%
undecided	0%*	12%

*La Prensa's poll was based on simulated voting by "probable voters" who all cast "virtual ballots. Therefore, no one was "undecided" in the results.

Legislative Head Count

[3](#). (SBU) All seven of Panama's officially recognized political parties will likely claim at least one of seventy-eight total seats in Panama's unicameral Legislative Assembly when it reopens on September 1, 2004. The PRD on its own probably will not win an absolute majority of 40 seats. The PRD-PP electoral alliance could have a shot at controlling the legislature, but the alliance may not survive election day. Also, several likely PRD winners for legislative seats are not loyal to Torrijos or other party leaders. With several races too close to call, Emboffs have identified the following probable outcomes:

PARTY

Legislators

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Democratic Revolutionary Party (PRD)	33-38
Arnulfista Party (PA)	17-23
Solidarity Party (PS)	6-9
Natl. Liberal Republican Movement (MOLIRENA)	3-5
Popular Party (PP)	3-4
National Liberal Party (PLN)	3-4
Democratic Change Party (CD)	1-2

Comment: Wild Card?

14. (C) The wild card in this election is the actual extent of support for ex-president Endara, who some observers think could attract far more votes from undecided voters and Panama's 100,000 government workers than opinion polls suggest. Some interlocutors, including Endara's foreign policy specialist and former Foreign Minister Jose Raul Mulino, have suggested that if Endara were to win the presidency, he would create a new party, attracting numerous Arnulfistas. Emboffs expect the substantial Solidarity contingent noted above to ride into the Assembly on Endara's coattails, but quickly split rather than forming a unified front. Most Solidarity legislative candidates were either originally members of other parties or are newcomers to the political scene.

Divided Conquerors

15. (C) A internal PRD struggle for positions and influence in a new government may quickly become Torrijos' first major challenge. Torrijos campaign finance manager Ubaldino Real told POL Counselor April 1 that the Torrijos campaign team has postponed showing its intentions on job assignments in a Torrijos government. Real confided that the choices, once announced, would surprise and anger Perez Balladares supporters and others of the old guard. Although the Torrijos inner circle is comfortable shutting out the old guard after election day, Real denied that Torrijos would owe political "debts" to them. Real, a management consultant, explained that the campaign team had defined profiles for key cabinet positions and had identified at least three people who fit the profile for each one. He said that Torrijos probably has names in mind for cabinet appointees, but added that Torrijos has not shared them with anyone.

The young lions

16. (C) The emergence of young leaders like Torrijos and Panama Mayor Juan Carlos Navarro, likely to be re-elected in a landslide, has not purged the PRD of followers of former President Ernesto Perez Balladares (1994-99) but it has rejuvenated party membership and offers much better examples to follow. Like their closest friends and advisors, Torrijos and Navarro are US-educated modernists, well-versed in doing business with Americans. If "change comes from the top" in Panama's top-down political structure, their leadership from positions of authority could greatly improve US-Panama relations in the long run by improving governance in Panama. But much will depend on how truly committed they are to change, and how well they can keep the old Guard at bay in the post-election scramble for plum positions in the next government.

WATT